CHA CFO Breakout Sessions

Suzanne Beitel, CFO
Samantha Sloane, VP Finance

Suzanne Vanderwerff, VP Revenue Cycle
Warren Hewitt, VP Chief Accounting Officer

July 2024

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Session 3: Government Relations/Public Relations

Seattle Children's Supplemental Government Payments Fiscal Years 2020 – 2025

($ in millions)

Program	2020	2021	2022	2023	2024 Forecast	2025 Budget
Safety Net Assessment (SNAP)						
Payments	$41.9	$46.0	$42.6	$46.6	$109.8	$141.0
Assessment	($20.3)	($20.7)	($20.0)	($17.2)	($11.0)	($10.0)
SNAP Net Benefit (a)	$21.6	$25.3	$22.6	$29.4	$98.8	$131.0
Quality Incentive Payment (QIP) (b)	$2.0	$2.3	$2.7	$3.2	$3.0	$3.2
DSH (c)	$4.8	$0	$6.6	$5.9	$3.9	$2.5
CHGME	$10.4	$10.4	$10.0	$10.3	$10.2	$10.2
PAP/PSSP (d)	$5.2	$16.9	$13.8	$22.1	$24.0	$39.0
Total	$44.0	$54.9	$55.7	$69.0	$141.9	$185.9

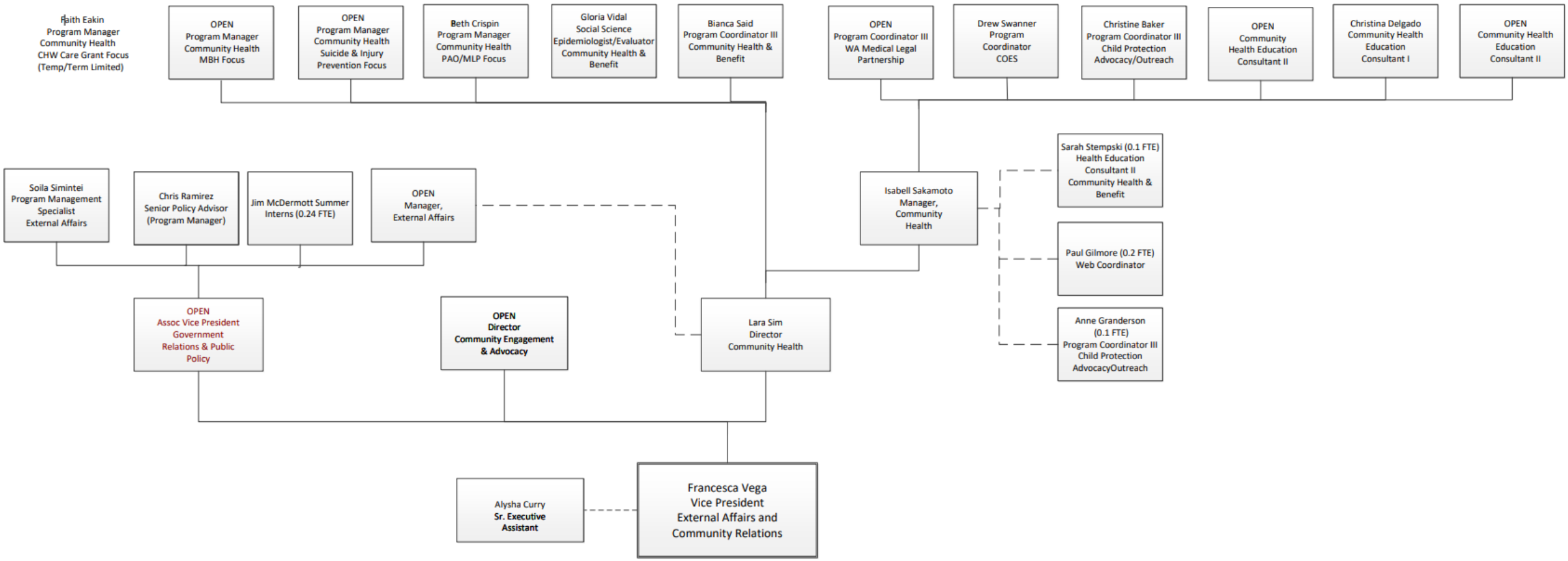
(a) CMS approved a modified SNAP program effective 1/1/2024 that significantly improved net benefit to all WA state hospitals. The state takes $146M of the assessment for general fund needs and $120M under the modified program for post-acute care/difficult to discharge programs

(b) QIP paid up to 1% of Medicaid payments for inpatient services if certain quality and financial reporting metrics are achieved.

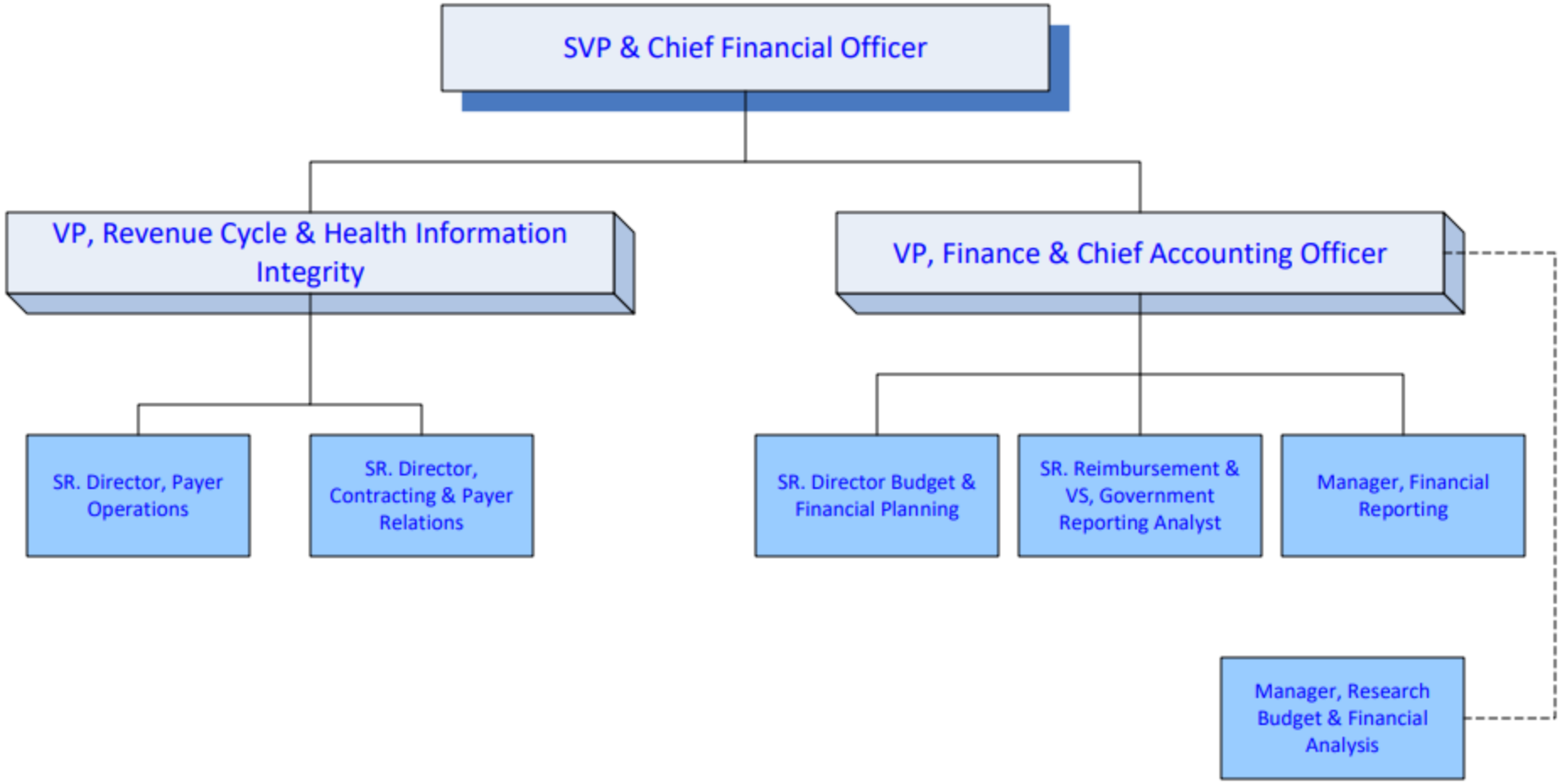
(c) Patients covered by commercial insurance and Medicaid eligible were included resulting in Seattle exceeding DSH cap.in 2021. Expect the DSH allocation to drop in 2025 due to increased SNAP dollars.

(d) Provider Access Payments (PAP) / Professional Services Supplemental Payment (PSSP) flow though physician practice plan and are an offset to Seattle Children's payment for clinical shortfall. Supplemental payments are designed to partially close the gap between Medicaid payments for professional fees versus Medicare.

Government Relations Team Structure



Reimbursement and Cost Report Team Structure



Session 4:
Margin Improvement

Fulfilling Our Mission: Securing Seattle Children's future starts today

Our aim:
Close the forecasted $130 million gap to achieve our budgeted 0% operating margin for fiscal year 2023

How We Rise to the Challenge

Ensure Seattle Children's meets its long-term goals by closing the $130M gap to achieve the budgeted 0% operating margin for FY23.

Capacity and Value Improvement

- Inpatient capacity
- Ambulatory clinic and urgent care visits
- Take Five: Revenue improvement
- Retail pharmacy prescription capture
- Operating room capacity
- Imaging

Workforce Optimization and Management

- Right talent and skill mix
- Workforce Optimization and Management Council
- Contract labor reduction

Increase Financial Knowledge and Skills

- Quarterly report-outs
- Leader training
- Use of benchmarking data
- New budget variance exploration tool

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Workforce Optimization and Management Council (WOMC)

- **Purpose:** To manage current and future talent needs and provide organizational oversight of labor costs.
- **Cost Savings Target:** To identify approximately $48.5 million in savings.
- **Actions Taken:**
  - **December:** Paused off-cycle pay requests.
  - **February:** Initiating hiring pause in some areas and decreasing contract labor.

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Definitions for Key Criteria

Position categories:

- Direct: Provide direct patient care
- Roles supporting patient care:
  - Contact: Provide some patient services / in room
  - Services: Incidental / no contact with patients
  - Admin: Supporting patient services

PROSPECT Benchmark Data: P60 and P80 are references to PROSPECT benchmark data, which is based on productivity measures and cost and a percentile benchmark. This data is compiled by Children's Hospital Association and allows Seattle Children's to compare to peer pediatric hospitals.

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What Comes to WOMC

Category	Replacement Position	New Position
Direct patient care	≥P80	
Roles supporting patient care	≥P60 and over budget	≥P60
All leadership positions		

- P60 and P80 are references to PROSPECT benchmark data, which is based on productivity measures and cost. This data is compiled by Children's Hospital Association and allows Seattle Children's to compare to peer pediatric hospitals.
- Excluded: Research, Foundation, 'direct' roles under P80.
- 'Direct' and 'contact' positions will be prioritized in the WOMC review process.

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Preparing for WOMC

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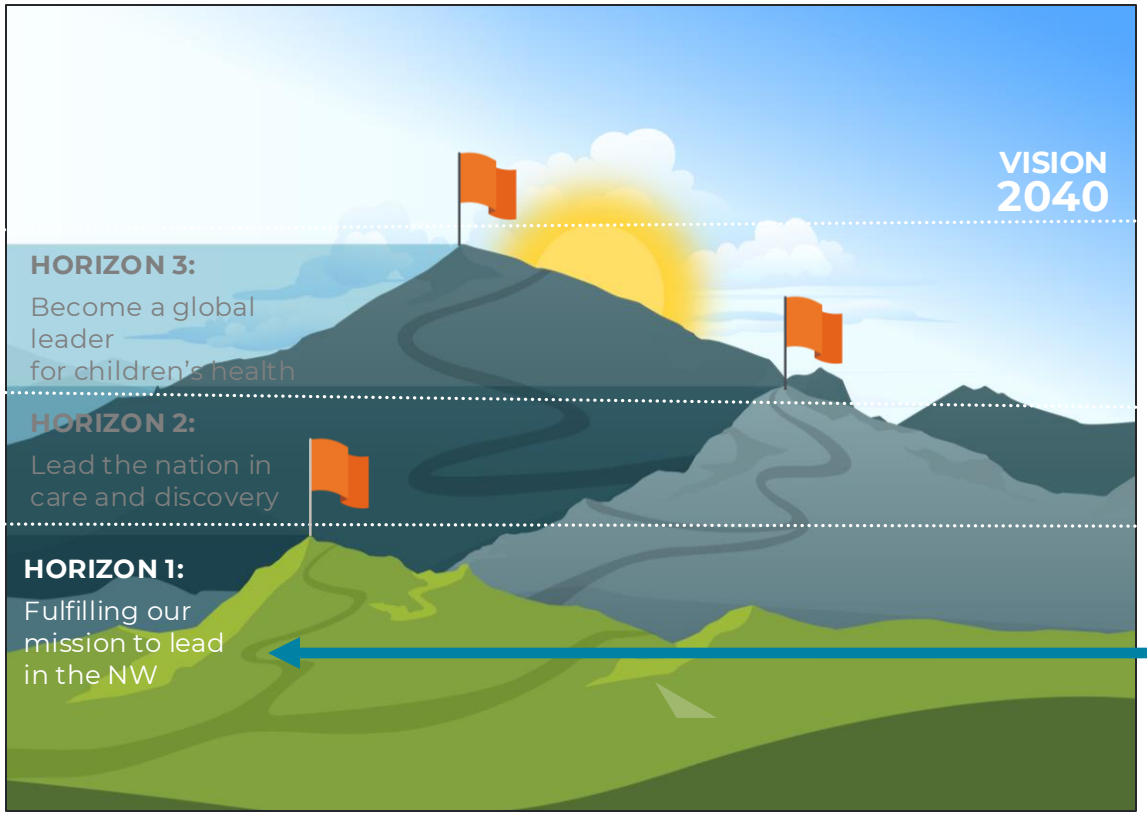
Why We Are Adapting Our Approach to Implementation

Horizon 1 creates the means to fund future transformative investments. Successful implementation of Horizon 1 initiatives requires a bold approach.

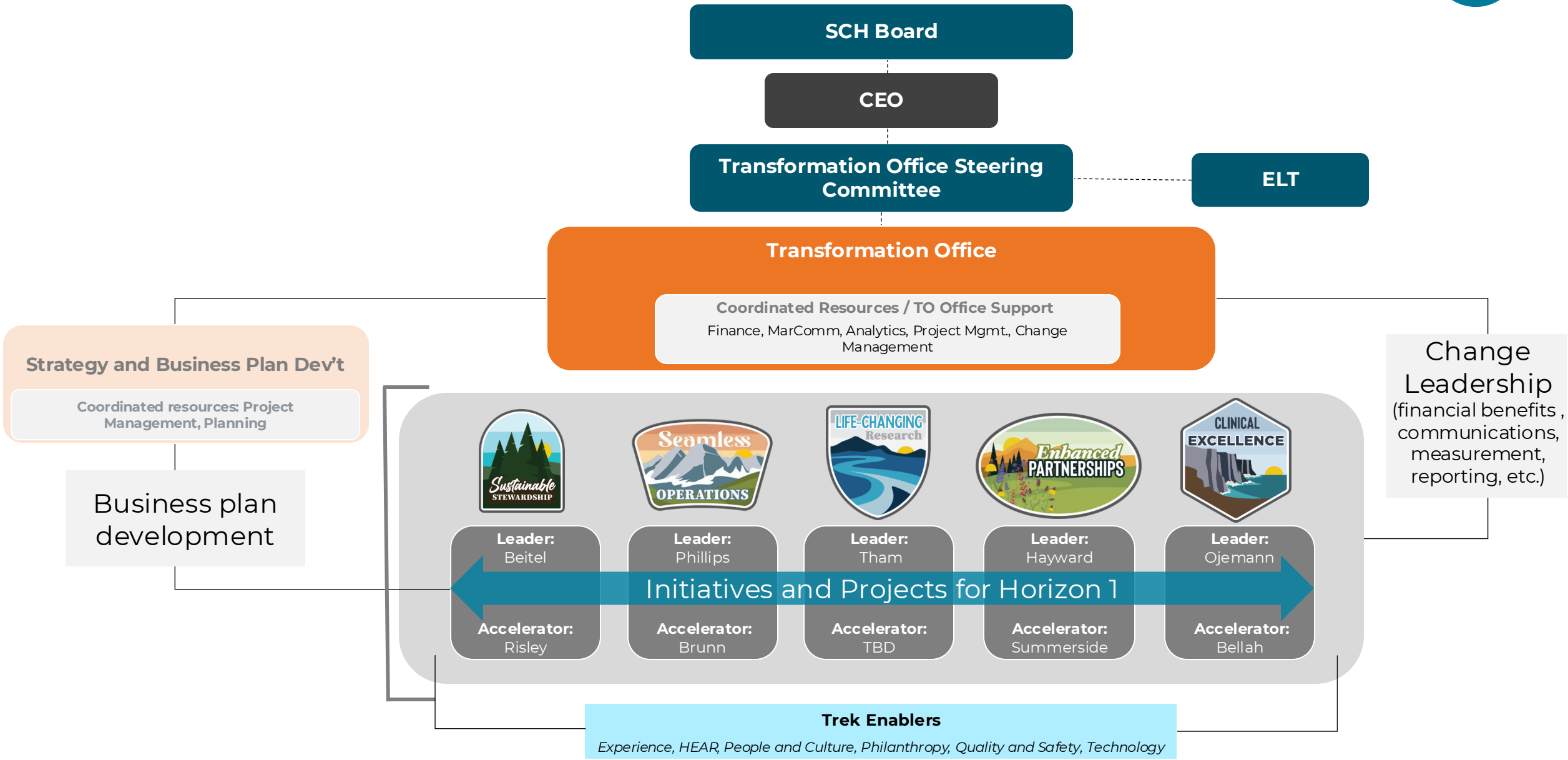
Stages of Seattle Children's Strategic Plan Implementation



Approach Highlights:

- Linkage of Horizon 1 strategic plan implementation and financial plan
- Increased focus on results over activities
- Clear accountabilities within and throughout lines of business
- Rigorous prioritization of initiatives
- Commitment to our cultural evolution

18 Month Implementation Structure



Results Generation vs. Program Ownership

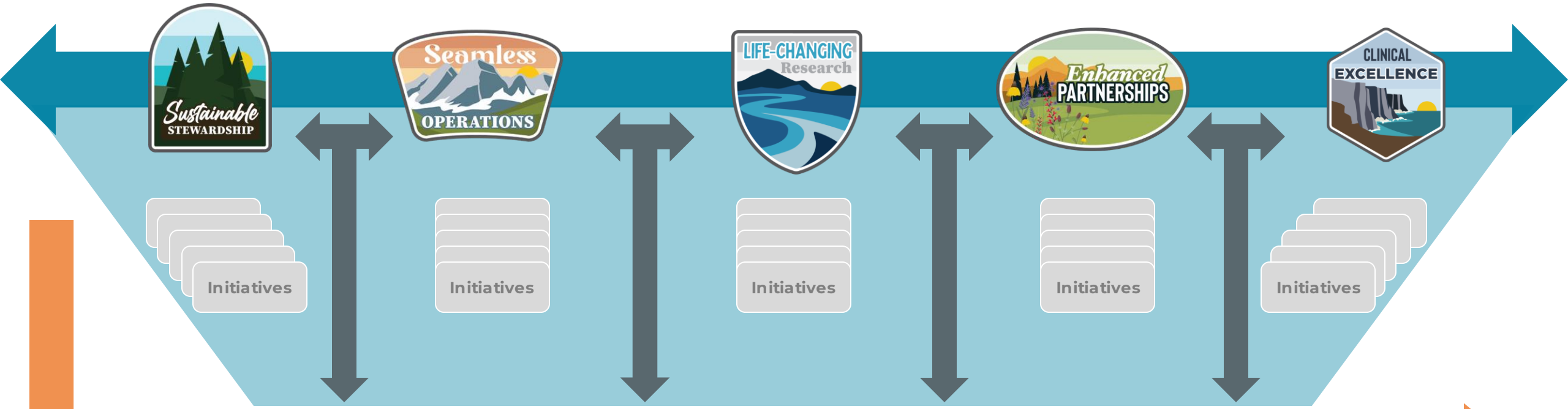
Defining Behaviors

Alignment on priorities

Prioritization of resources and rigor in processes

Integrated strategic leadership

Shared accountability to deliver results



Accountability and Ownership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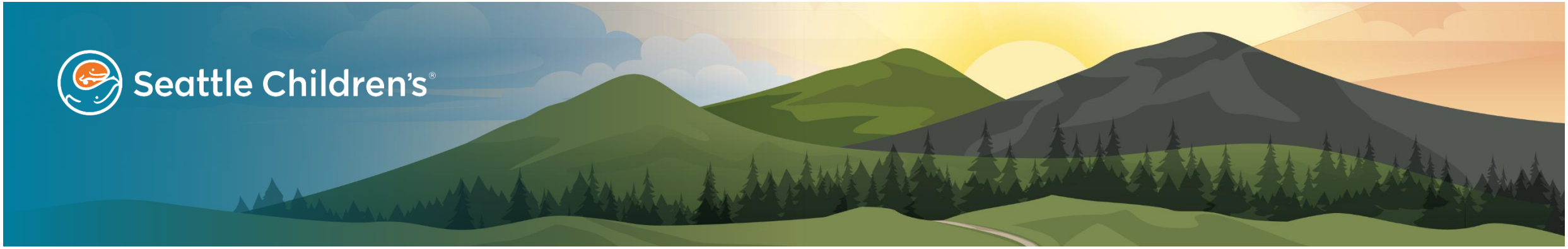
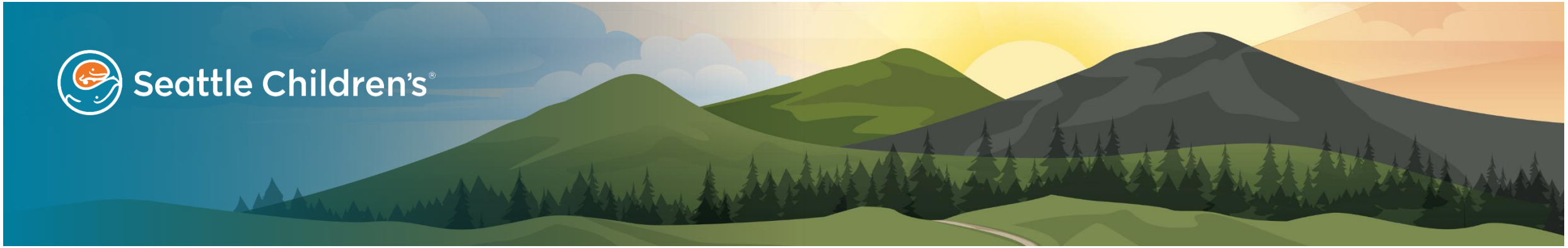
Strategic Plan
LIFE-CHANGING
RESEARCH
ENHANCED
PARTNERSHIPS
SEAMLESS
OPERATIONS
SUSTAINABLE
STEWARDSHIP
CLINICAL
EXCELLENCE
TRAILS



Horizon 1

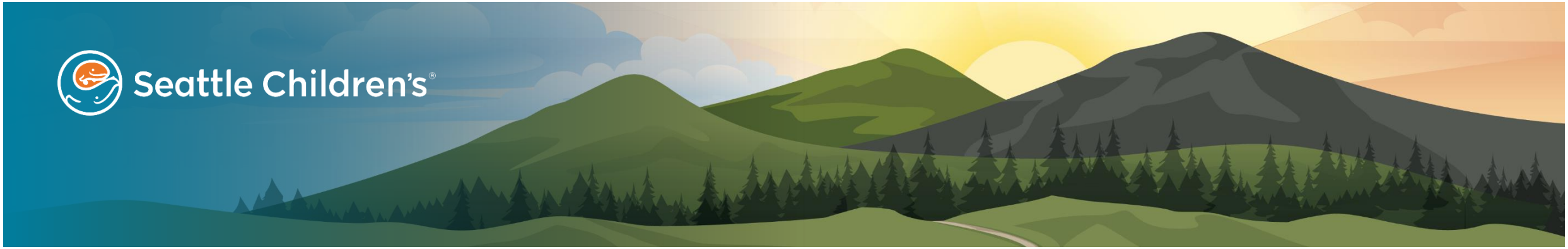
- Horizon 1: Fulfilling our mission to lead in the Pacific Northwest through service line growth, research discovery and improved access for new patients.
- Horizon 1 sets the foundational, strategic, operational and financial improvements that lead us toward Horizons 2 and 3.
- Horizon 1 is outcomes based, not time based.
- The Transformation Office is focused on Horizon 1.



Transformation Office

To set us up for success, the Transformation Office was formed to accelerate change, evolve our culture and how we do our work, drive toward results, and build shared accountability and collaboration across the treks for Horizon 1.

Prioritization	Decision-making process; inventory and assess strategic projects	Rigor and Resources	Coordinated resources for initiatives/projects, financial assessments
Accelerated Change Management	Changing the way we work, evolving our culture, expediting adoption	Results and Outcomes	Key metrics, shared accountability, breaking down silos



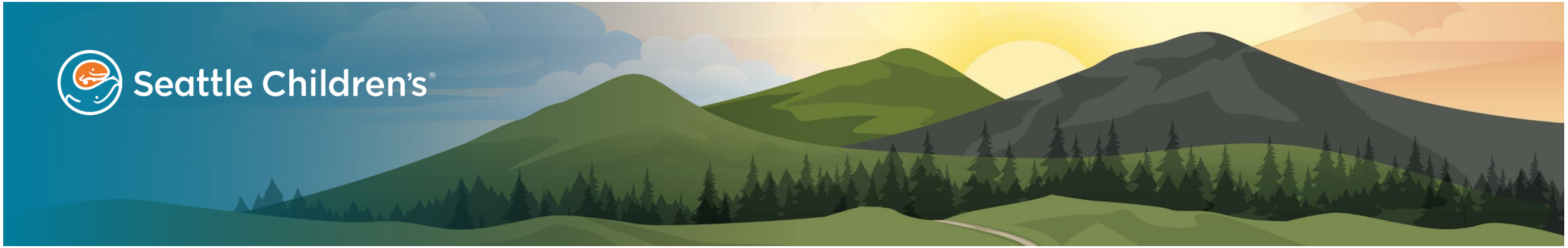
Transformation Office

What the office is

- Accountable for monitoring Horizon 1 implementation
- Advisor on the prioritization of Strategic Plan Horizon 1 initiatives and projects
- A collaborative body that helps identify and address resource gaps hindering Horizon 1 implementation
- Forum for collaborative problem solving of Horizon 1 implementation challenges

What the office isn't

- Responsible for "lights on, doors open" activities
- Clearinghouse for the approval of initiatives or projects
- "Owner" of coordinated resources
- A stand-alone governing body; decision-making authority



Horizon 1 Outcomes We Are Trying to Achieve

Number	Current Quarter
1	Operating margin
2	Composite score: Mortality and readmissions
3	% New Patients Seen < 14 Days
4	% of Washington Inpatients Seattle Children's Served
5	% of Patients in Five Key Service Lines Participating in Research
6	Philanthropy Deployment
7	Culture of Safety Score
8	% of Projects Identified for Horizon 1 With Identified HEAR Metric
9	Provider Support and Optimization
10	Labor Costs as % of Net Revenue
11	Likelihood to Recommend Seattle Children's

Horizon 1 Outcome Metrics
Key indicators regarding Children's progress toward Horizon 2.

Supply Chain Spending: Purchased Services and Supplies Strategies

Purchased Services

Overview: Develop processes, decision models and oversight review to ensure optimal utilization of purchased services through changing culture and 'rollover relationships', ensuring companies earn SCH business, leverage volume of others

Tactics:

- Review Contract Renewals
- Evaluate Service Contracts
- Improve GPO utilization

Supplies

Overview: Improve control points to optimize supply utilization and funding focusing on the following aspects: acquisition strategies, clinical involvement in the process, product category variation, product utilization management, vendor oversight, and implementation of a total cost process

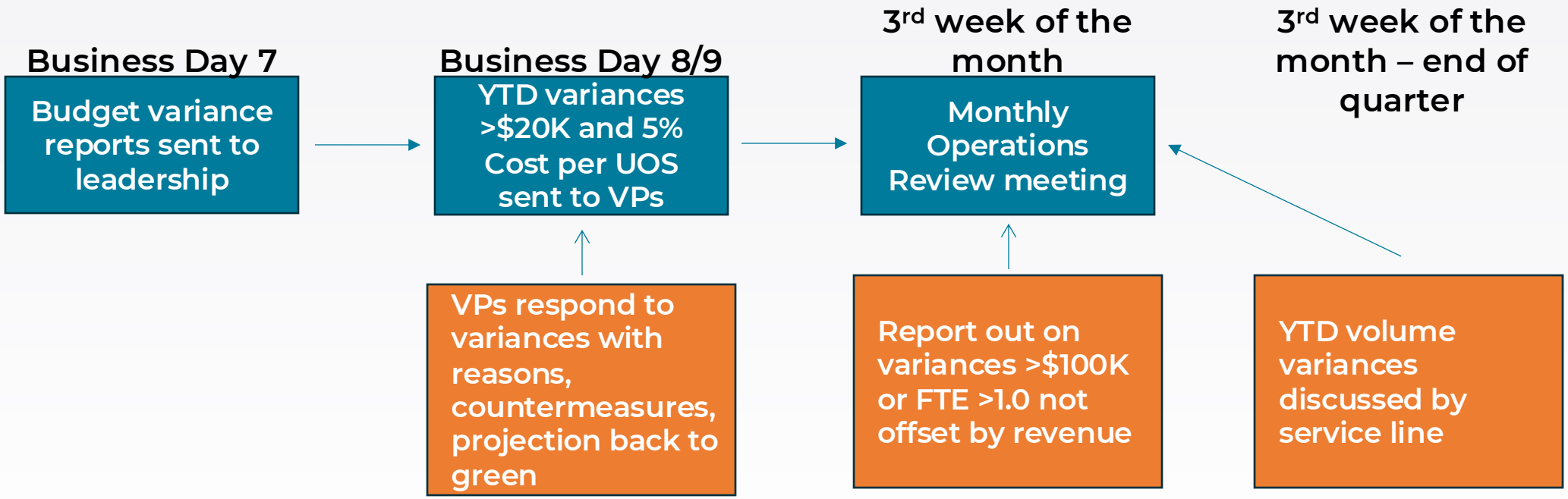
Tactics:

- Supplier Pricing Strategy
- Supply Utilization
- Supply Standardization
- Supply Total Cost of Ownership
- Vendor Access Management
- Diversity Supplier Utilization and Sustainability Supplier Utilization

Monthly Operational Review Process

Monthly focus on budget dollar and FTE variance

Quarterly review includes volume variance



Session 4: Business Planning/ Strategic Planning

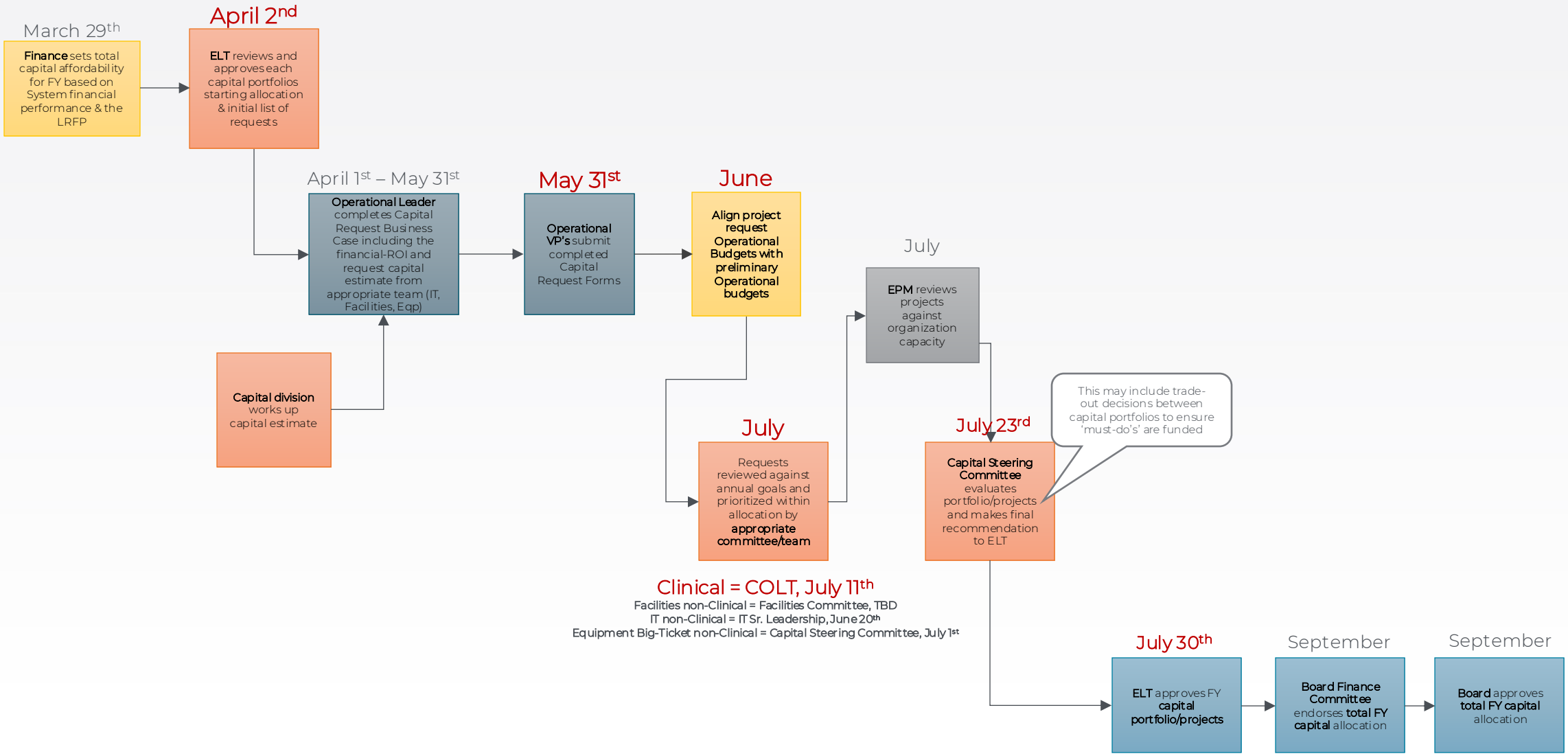
The resources you need drive your approval path

I need….

Staff	A **provider, including APPs**	To **add to my budget** for existing operations	Operational or strategic **capital**	
				
WOMC	**Strategy Council**	**Budget intake / COLT / JSOC**	*Renewal or replacement: Operational* **Capital Steering Committee**	*Strategic capital* **Strategy Council**
WOMC SBAR	*Provider proforma, service line recruitment plan*	*Budget intake form*	*Business case form*	*Business case form*

Business Plan is required if: I need a **combination** of these and/or **multiple teams are impacted** by the proposed project

Capital Planning Process



Capital Steering Committee Charter

Committee Name: Capital Steering Committee *v8 Updated: 5/6/24*

Purpose

With demand for capital investment far in excess of available funds, properly allocating capital will require a high level of collaboration among key financial, operational, research and clinical stakeholders. The Capital Steering Committee provides centralized, system-wide oversight for capital planning, deployment, and management. The Committee oversees the deployment of capital resources annually and for multi-year plans. This committee will escalate to ELT and will:

1. ***Steward*** capital dollars to best meet our mission
2. ***Integrate & Govern*** system-wide capital processes and decisions
3. ***Prioritize*** the annual and multi-year system-wide capital portfolio
4. ***Mitigate*** capital expenditure overage issues

Primary Functions

- Propose and execute a capital allocation methodology process for renewal and replacement assets
- Develop capital guardrails and ensure accountability for capital deployment
- Review, set, and recommend an annual and 5-year renewal and replacement budget based on department and business line leadership input
- Ensures capital alignment with organizational strategic priorities and the Strategic Plan
- Track financial and milestone performance for approved capital projects including cashflow
- Determine capital request viability and business case and review the financial projections associated with requests
- Prioritize multi-year requests for renewal and replacement capital and develop recommendation for ELT
- Authorize requests for emergency capital needs and use of any renewal and replacement capital emergency/contingency funds
- Serve as escalation path for any capital sub-committee
- Ensure that capital needs are comprehensively represented and vetted including the impact to space, equipment and to another departments
- Responsible for Cross-Division Communication to ensure needs are decided and represented by a department
- Lead communication and training on capital process including communication to other committees and stakeholders (e.g. ELT, HSC, System Ops, RSLT, COLT, Foundation, Strategy Council, POT, CDAC)

Goals

Executive Sponsor	Jamie Phillips
Committee Lead	Mandy Hansen

Members

Suzanne Beitel
Dr. Zafar Chaudry
Dr. Jeff Ojemann
Dr. Andre Dick
Bonnie Fryzlewicz
Sean Farley
Gary Walker
Laura Licea
Dr. Vittorio Gallo
Dr. Eric Tham
Jamie Phillips
Vickie Cleator
Margarett Shnorhavorian, Surgical Faculty Rep
Medical Faculty Rep?
Renee Stanley

Committee Support – *attend as needed*

Samantha Sloan (Warren Hewitt)
Guttorm Lid
George Hsieh
Danielle Pagliaccetti
Dan Robinette

Sub-Committees

Facilities
IT
Sourcing/Equipment (CEVAT)
Research (SLT)

Meeting Frequency

Bi-monthly

Out of Scope

Major, strategic capital projects/investments, these are developed and recommended by Strategy Council and approved by the Board

Move/Add/Change requests $50,000 – $150,000

Capital Scoring

Prioritization Tool

Prioritization Score	Redefine Excellence 0	Align Research & Care 0	Integrate our network 0	Develop our Team 0	TOTAL INDEX 0

Operational Pillar/Category			Weight	Item Score	Weighted Score	Rational
Redefine Excellence to achieve next-level outcomes:					***0***	
Patient Safety	15	High risk, evidence based, patient safety issue with no workaround	10		0	
	9	High risk patient safety issue with available workaround				
	5	Potential low risk patient safety issue with no workaround				
	3	Potential low risk patient safety issue with available workaround				
	0	No patient safety impact				
Staff Health & Safety	15	High risk, evidence based, staff health & safety issue with no workaround	10		0	
	9	High risk staff health & safety issue with available workaround				
	5	Potential low risk staff health & safety issue with no workaround				
	3	Potential low risk staff health & safety issue with available workaround				
	0	No patient safety impact				
Regulatory Need	9	High Risk: Conditional-Level finding or Immediate jeopardy - places	9		0	
	5	Moderate Risk: Pervasive failures indicating broken system				
	3	Low Risk: More than one failure to meet external-based requirement(s)				
	0	Not Applicable				
Financial Risk *Impact of **NOT** doing the project, expressed as either increased costs or liability*	9	High Risk: >$10m	5		0	
	5	Mod: >$5-9.99m				
	3	Low: >$1-4.9m				
	0	Neglibile: <$1m				
ROI *Financial return/increased Revenue when project is implemented*	9	High Return: >20%	20		0	
	5	Mod Return: >15%				
	3	Low Return: >10%				
	0	Neglibile Return: <10%				
Align Research and Care to accelerate breakthroughs:					***0***	
Innovation	Y = 2, N = 0	Improves Patient/Family Experience	2		0	
	Y = 2, N = 0	Considered Leading Edge Technology			0	
	Y = 2, N = 0	Provides Competitive Advantage Gain			0	
	Y = 2, N = 0	Improves outcomes and provides higher quality care			0	
Strategy	9	Directly tied to organizational strategic plan outcome	15		0	
	5	Supports Organizational Goals/Mission				
	3	Supports Departmental Goals				
	0	Does not support strategic goals				
		If Directly Tied to Strategic Plan, select which Trek ---------->				
Integrate our network to improve children's health:					***0***	
Patient/Family Satisfaction	9	Essential/Critical to Customer	20		0	
	5	A Lot of Value to Customer				
	3	Some Value to Customer				
	0	Little to No Value to Customer				
Develop our team to lead our mission toward the future:					***0***	
Staff Engagement	9	Essential/Critical to improving staff engagement	25		0	
	5	A Lot of Value to to improving staff engagement				
	3	Some Value to improving staff engagement				
	0	Little to No Value to staff engagement				
Level of Effort *Resources use to complete project work on functional and/or operational areas of Seattle Children's*	0	Highly Complex: Projects that are more than one-year in duration and requires more than five teams	7		0	
	3	Moderately Complex: Projects that are between three to six months in duration and requires more than five teams				
	5	Simple: Projects that are less than three months in duration and consists of less than two teams				
	9	Insignificant: Project work is isolated to a single functional group				
Change Impact *The implementation impact on the functional and/or operational ares of Seattle Children's*	9	Enterprise Wide Impact	-5		0	
	5	Clinical Operations Impact				
	3	Several Departments				
	0	Single Department				

Business Plans Approval Workflow

Activity	FYQ1	FYQ2	FYQ3	FYQ4	Rationale & Detail
Strategic Investment Plan Approval		Strategy Council (approval) and TOSC (sequencing)			▪ Projects aligned calendar; approvals baked into next FY budget ▪ Exceptions to timeline must be approved by COO + CFO
COLT (clinical) or JSOC (research) Business Plans		Business plan review	COLT / JSOC Approval + prioritization		▪ Approvals baked into next FY budget ▪ Allows all COLT/JSOC plans to be reviewed at once and graded against each other (submitted to approvers by **May 31st**) ▪ Revenue generating business plans can be approved ad hoc
Retrospectives & Tracking	TOSC: Strat COLT/JOC: Bus. Plan Capital Steering				▪ Enable/enhances best business plan practices ▪ Plans selected to review based on materiality and/or risk
SSOC	Business Plan Review / Support				▪ SSOC & strategy/finance/capital planning partners support plans all year round

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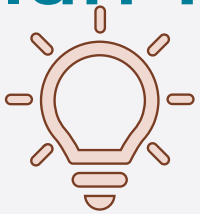
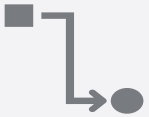
Business Plan Tools & Templates



Intake SBAR

Pro Forma

Business Plan & Summary Presentation



Charter

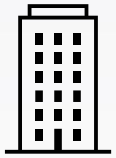
What is it?	Initial way to document the project's scope, needs, and impact	Financial assessment of project's impact	Comprehensive analytical assessment of project's impact	Formal short document to organize implementation work
Why is it required	• Provide leaders with a proposal to react to • Useful for evaluating impact to shared services team • Mechanism for determining which business planning path it will follow	• Quantify the financial impact of a proposed project • Tool for decision-making and evaluating if project is worth investing in	• Provide more context and details about why a project is worth pursuing • Show connections & interdependencies to other projects and teams • Articulate the "why"	• Identifies key stakeholders and accountable owners • Includes metrics • Provides initial timeline with key milestones • Identifies risks
Which projects require one?	All		Complex & strategic projects	Strategic projects that transition for implementation
What phase?	Pre-Intake / Intake	Planning & Organize		Design

Note: Tools and templates are being reviewed to see where they can be consolidated

Summary of committee oversight at SCHS

WOMC: Workforce Optimization Management Council. Requests for new positions. Uses prospect benchmarking. Led by a panel of SVPs.

Revenue Leadership Council: Collaboration between revenue cycle and operational leaders to propel charge capture initiatives.



EMP: Enterprise Portfolio Management, monitors portfolio, sequences work, makes go-no go decisions.
Capital Steering Committee: Oversee capital resource allocation.
Real Estate Oversight and Acquisition Committee: Align on real estate decisions between finance, strategy, and facilities.

Strategy Council: Approves strategic resource requests.
TOSC: Transition Oversight Strategic Council - sequences approved projects and tracks progress.

Management Councils:
ELT: Executive Leadership Team – Ultimate decision makers for the system.
COLT: Clinical Operations Leadership Team – key operational decisions for the clinical division.
JSOC: Joint Scientific and Operations Council – key decisions for the research division.
SSOC: System Services Oversight Committee – prioritize system admin resources.
HSC: Hospital Steering Committee – key clinical decisions for the hospital.

Labor – Tactics (not related to WOMC)

- **Traveler Management and Monthly Spend Tracking**
  - **Efforts to convert travelers to FTEs**
  - **Better forecasting of need to lock in better rates outside of peak**
  - **All traveler time clocked in ETM and reviewed by SCHS staff**
- **Freeze mid-cycle promotional increases (SVP exceptions)**
- **Freeze sign-on bonuses unless replacing contract labor (SVP exceptions)**
- **Goal setting around reducing total on call time**
- **Considering leave management consulting – are others doing this?**

SCCN Primary Care Base

- Pediatric Associates of Whid...
- Pediatric Associates of Whid...
- Woodinville Pediatrics
- Woodinville Pediatrics
- Richmond Pediatrics
- North Seattle Pediatrics
- Ballard Pediatrics
- Odessa Brown Children's Cli...
- Odessa Brown Children's Cli...
- Mercer Island Pediatrics
- HopeCentral
- Bainbridge Pediatrics
- Renton Pediatric Associates
- Renton Pediatric Associates
- University Place Pediatric Cli...
- South Sound Pediatrics
- Olympia Pediatrics
- Northwest Pediatric Center
- Northwest Pediatric Center
- Northwest Pediatric Center
- Valley Children's Clinic

Primary Care Base

15 Practices, 21 locations

- 155 providers
- 137,000 active patients
- Payer mix ranges up to 70% Medicaid
- Two rural health clinics

Value Based Contracted Lives

- >60,000 patients under SCCN management in value-based contracts
- Commercial contracts with Aetna, Regence, UnitedHealthcare, and Premera
- Medicaid contracts with Molina, UnitedHealthcare, CHPW, and Coordinated Care
- Participating in direct to employer contracts for Boeing, PEBB/SEBB
- Partnerships with accountable communities of health to transform care delivery for children on a local basis

as of May 2024

Provider Productivity Dashboard

CUMG Practice Review

Select Year: ACADEMIC YEAR | Affiliation: CUMG | UW Clinical Department: All | UW Clinical Division: GENERAL SURGERY

YTD PM Actual wRVU/ASA to Budget
47,047 ✓
Budget: 41,702 (+12.82%)

Annualized wRVU/ASA to Benchmark
47,047 ✓
Benchmark: 45,402 (+3.62%)

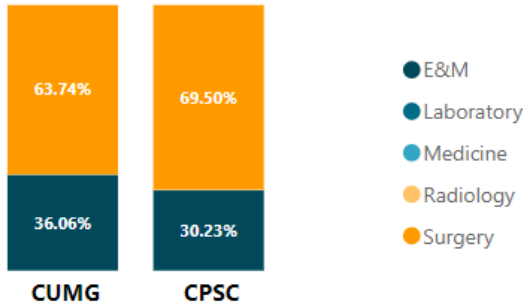
Currently in AR Over 90 Days
48.6 % !
Goal: 32.3 % (-50.38%)

YTD PM Payments to Budget
$3.61M ✓
Budget: 3.10M (+16.68%)

YTD PM Payments to Prior FY
$3.61M ✓
Prior YTD PM: 3.47M (+4.16%)

Current AR Days
70 !
Goal: 39 (+79.05%)

YTD PM Percentage of wRVUs by CPT Section Compared to Benchmark



YTD PM Average Charge Lag (Days)
7.34 ✓
Goal: 7.5 (+2.12%)

YTD PM Initial Denial Rate
6.5 % ✓
Goal: 11.30 % (+42.12%)

Select Year*: ACADEMIC YEAR | Specific Service Line: General Surgery

- [x] General Surgery
- [ ] Genetics
- [ ] Heart Center
- [ ] Immunology
- [ ] Infectious Disease
- [ ] Infusion
- [ ] Interventional Radiology
- [ ] Laboratory
- [ ] Medical Services

Please note: All metrics noted as YTD PM = Year-to-Date, through the end of the Prior Month.

YTD PM Date Range: 2023-07-01 to 2024-06-30

YTD New Patient Lag
27 ✓
Goal: 50 (+46%

its to Budget
1 ✓
(+37.69%)

Timely Encounter Clos
94.5 %
Goal: 95.0 % (-0.51%)

Appt Rate
%✓
Goal: 7.5 % (+18.13%)

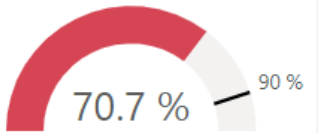
% Arrived within 14 Days
35.2 % !
Goal: 39.0 %

YTD Surgery Volume
2,696 ✓
Budget: 2,569 (+4.94%)

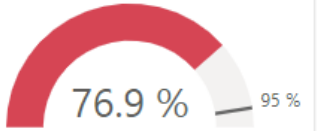
Open Encounters

Currently Open > 7 Days	Open Encounters	Financial Impact for Total Open
0	40	$3,522

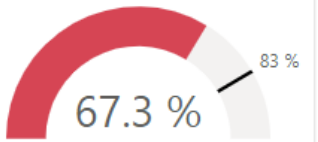
YTD Schedule Utilization



YTD Overall Utilization



YTD Completed Utilization



*Does not apply to Timely Encounter Closure Rate & Open Encounter metrics as these reflect 10/1/2020 to present.

Provider Productivity Benchmarks

PSA Clinical Rate:

- Set at the 65th %ile benchmark and is a 50/50 blend of 2022 and 2023 survey years for the following surveys:
  - ECG Pediatric
  - SullivanCotter
  - MGMA Academic

- Productivity:
  - 50/50 blend of 2022 and 2023 surveys from:
    - ECG Pediatric
    - SullivanCotter
    - CPSC
    - MGMA Academic
  - Benchmark values are weighted averages based on each survey's 'n' size
- Compensation:
  - Most divisions benchmarked to the AAMC
  - MGMA is used as an alternate cap for some specialties

Provider Productivity: Clinical Shortfall Funding

Fiscal Year	Net Clinical Shortfall	Comments
2021	$70M	Legacy shortfall funding model (guaranteed funding of budgeted clinical shortfall)
2022	$81M	PSA funding model with hold harmless funding commitment PSA rates imputed based on budget assumptions for clinical compensation and wRVUs
2023	$102M	PSA funding model with risk corridor funding (wRVU funding floor -5% of budget; wRVU funding cap 10% over budget. No cap for surgical departments) PSA rates imputed based on budget assumptions for clinical compensation and wRVUs
2024 Budget	$97M	Benchmark informed PSA rates (65th %ile) with risk sharing guardrails (100% funding commitment if clinical deficit < 5%, 98% funding commitment if clinical deficit > 5%. $10K/CFTE if clinical funding surplus is achieved with PSA funds)

Budget presentation dashboard

CUMG ANNUAL BUDGET REVIEW
Physician Compensation & Instititional Support Analysis AY25

SCH Institutional Support*
*(*Includes all Inst Support received from SCH)*

	AY23	AY24 Budget	AY25 Budget	Variance AY25 to AY24 $	Variance AY25 to AY24 %
PSA Funding from SCH	$5,919,091	$4,492,055	$5,113,957	$621,902	14%
Direct funded CFTE / Prog Supp	$436,018	$621,607	$111,129	($510,478)	-82%
Medical Direction	$1,033,842	$911,056	$1,171,301	$260,245	29%
GME	$0	$136,369	$70,597	($65,772)	-48%
Service Agreement	$0	$90,097	$70,597	($19,500)	-22%
Start-up	$0	$0	$0	$0	0%
Relocation / Term Benefits	$230,457	$0	$0	$0	0%
LOA	$0	$0	$0	$0	0%
Other (Academic, Endow)	$664,160	$635,654	$691,144	$55,490	9%
Total SCH Support	$8,283,568	$6,886,838	$7,228,725	$341,887	5%

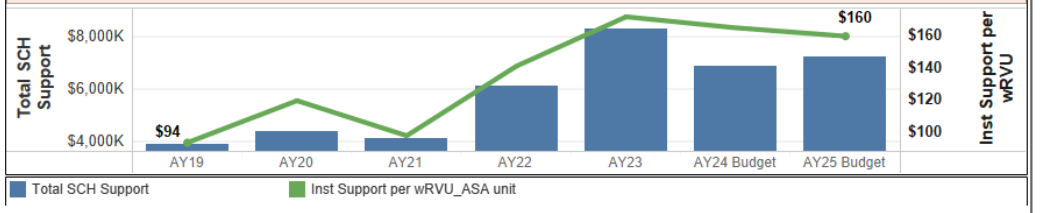
wRVU_ASA units and cFTE Year over Year

	AY23	AY24 Budget	AY24 Act	AY25 Budget
Total WRVUs & ASA units	48,158	41,702	46,408	45,195
SCH wRVUs & ASA units	48,146	41,649	46,399	45,195
% change from prior year Total wRVUs & ASA units actuals	11%	-13%	-4%	-3%
% change from prior year SCH wRVUs & ASA units actuals	11%	-13%	-4%	-3%
Total CFTE	8.27	7.63	7.58	7.12
% change from prior year cFTE	1%	-8%	-8%	-6%

PSA Clinical Rate

	AY23	AY24 Budget	AY25 Budget
PSA Clinical Rate	$148.92	$128.10	$135.46
% change from prior year		-13.98%	5.75%

SCH Institutional Support
(Avg Instit. Support per wRVU)

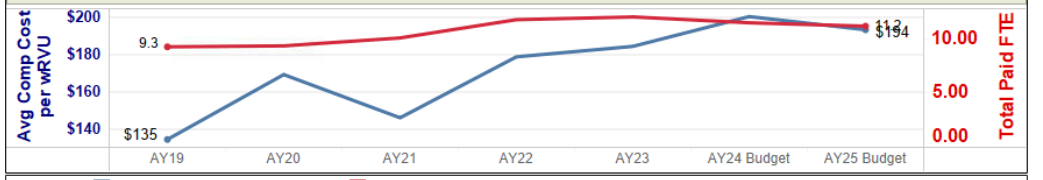


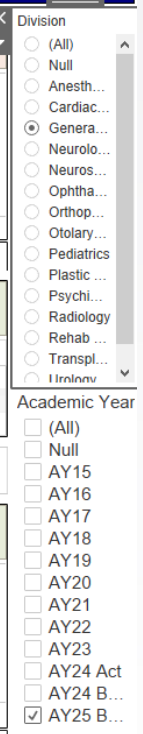
Average Physician Compensation* per 1.0 FTE
*(*Physician Comp includes Total Salary, ADS, Incentives, and other Misc Pay)*

	AY23	AY24 Budget	AY25 Budget
Total Paid FTE	12.00	11.46	11.15
Average Comp per 1.0 FTE	$660K	$653K	$692K
% Comp change from prior year	12.4%	-1.1%	6.0%

Average physician comp is at the AAMC 63rd %ile (pediatric-specific benchmark)

Average Physician Cost* per wRVU
*(*Physician Cost includes Physician Comp plus Fringe Benefits)*





Budget Review Comments

5% decrease in cFTE and 3% decrease in wRVUs. 4% increase in surgical cases. Provider productivity is 112% of median. wRVU target reflects a 3% increase in wRVUs/CFTE to align with case volume increases. The group intends to accomplish this by increasing APP deployment to clinic to free up MD deployment to OR. $510K decrease in Program Support ($350K risk sharing projection in AY24, now at $0 and Div. Chief MAC no longer direct funded). 29% increase in Medical Direction: 0.10 FTE increase for division chief role for a 2 year period and 0.20 FTE new Assoc SIC role (both approved by Med Dir Cmte). GME reduction due to a classification error in the AY24 budget (AY25 FTE agrees with ACGME requirements). AY24 GME funding error corrected during the AY24 incentive true-up process. Tri-cities regional services reclassed from Service Agreements to Outside Direct funding category. IDP amendment eff 7/1/24 - shifting Incentive dollars to TPS for call (net $25K increase). SCH will continue to direct fund Dr. Lee's ADS. Dept projecting a $220K transfer to reserves.